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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re	Chapter 11
EASTERDAY RANCHES, INC., <i>et al.</i>	Lead Case No. 21-00141-11
Debtors. ¹	Jointly Administered
EASTERDAY RANCHES, INC.,	Adv. Proc. No. 21-80044-11
Plaintiff,	STIPULATION AMONG DEBTORS AND RABO AGRIFINANACE LLC REGARDING WITHDRAWAL OF ADVERSARY PROCEEDING WITHOUT PREJUDICE
vs.	
RABO AGRIFINANCE, LLC,	
Defendant.	

¹ The Debtors along with their case numbers are as follows: Easterday Ranches, Inc., (21-00141) and Easterday Farms, a Washington general partnership (21-00176).

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**STIPULATION AMONG DEBTORS
AND RABO AGRIFINANACE LLC
REGARDING WITHDRAWAL OF
ADVERSARY PROCEEDING
WITHOUT PREJUDICE – Page 1**

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1 **WHEREAS**, on February 1, 2021, Easterday Ranches, Inc. (“Ranches”) filed a
2 voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the
3 “Bankruptcy Code”) before the United States Bankruptcy Court for the Eastern District
4 of Washington, Yakima Division (the “Bankruptcy Court”).

6 **WHEREAS**, on February 8, 2021, Easterday Farms, a Washington general
7 partnership (“Farms” and together with Ranches, the “Debtors”) filed a voluntary
8 petition for relief under chapter 11 of the Bankruptcy Code.

10 **WHEREAS**, Farms, Ranches, Cody Easterday (“CE”), Karen Easterday (“KE”)
11 (in her individual capacity and as the representative of Gale Easterday,²), and Debby
12 Easterday (“DE” and together with CE and KE, the “Easterday Partners”), entered into
13 that certain *Stipulation By and Between Debtors and Non-Debtor Sellers Regarding*
14 *Cooperation with Respect to the Sale of Debtor and Non-Debtor Assets* (the
15 “Cooperation Agreement”).

18 **WHEREAS**, on April 28, 2021, the Bankruptcy Court entered an order
19 approving the Debtors’ entry into the Cooperation Agreement [Docket No. 655].

21 **WHEREAS**, pursuant to the terms of the Cooperation Agreement, among other
22 things, the Easterday Partners are required to cooperate with the Debtors in connection
23 with the sale of certain real property, and the Debtors are required to enter into a
24

25
26 ² Gale Easterday passed away on December 10, 2020.

1 stipulation or otherwise obtain an injunction with respect to any party taking action to
2 enforce rights or remedies against property or assets of the Easterday Partners.
3
4 Moreover, pursuant to the Cooperation Agreement, the Debtors and Easterday Partners
5 are required to negotiate in good faith an allocation protocol in connection with the
6 proceeds from the sale of real property
7

8 **WHEREAS**, Rabo AgriFinance, LLC (“Rabo”) asserts interests in the property
9 or assets of the Easterday Partners.

10 **WHEREAS**, Rabo filed that certain Complaint for Judicial Foreclosure of
11 Mortgages, and for Money Judgment Based on RCW 25.05.125 (the “Rabo 3E
12 Complaint”) in a proceeding captioned *Rabo Agrifinance LLC, Plaintiff v. 3E*
13 *Properties et. al. Defendants*, Case No. 21-cv- 05066, pending in the District Court for
14 the Eastern District of Washington, Richland (the “Rabo 3E Proceeding”).
15
16

17 **WHEREAS**, the Rabo Complaint contains a “First Cause of Action” against
18 Karen Easterday,³ Cody Easterday and Debby Easterday (together the “Easterday
19 Individuals”), and a “Second Cause of Action” against the Easterday Individuals, Jody
20 Easterday and 3E Properties.
21
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23
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25 _____
26 ³ Karen Easterday is named individually and in her capacity as representative of the
estate of Gale Easterday.

1 **WHEREAS**, on June 28, 2021, Debtors filed a complaint initiating this adversary
2 proceeding (the “Rabo Adversary”) against Rabo seeking, among other things, to enjoin
3 any proceedings by Rabo, including in connection with the Rabo 3E Proceeding, to
4 enforce or collect any obligations against the Easterday Partners.

6 **WHEREAS**, contemporaneously with the filing of the Complaint, the Debtors
7 filed their *Motion for a Temporary Restraining Order and Preliminary Injunction*
8 [Docket No. 2] (the “TRO Motion”), together with a *Memorandum of Law* [Docket No.
9 3] and *Declaration of T. Scott Avila* [Docket No. 4] in support of the TRO Motion.

12 **WHEREAS**, in consideration for Rabo agreeing to stay the proceedings in the
13 Rabo 3E Complaint on the terms described below and entering into this Stipulation, the
14 Debtors are willing to dismiss the Rabo Adversary without prejudice and to withdraw
15 the TRO Motion.

17 **Based on the foregoing recitals, the Parties hereby stipulate and agree as**
18 **follows:**

19 1. Stay of Proceedings. Rabo agrees that it will stay the Rabo 3E Proceeding,
20 including staying any deadline of any defendant pursuant to the Rabo 3E Complaint to
21 answer or otherwise respond to the Rabo 3E Complaint until the earlier of (i) December
22 31, 2021, or the (ii) Effective Date (as defined in the Plan) of a plan of liquidation
23 confirmed in the Debtors’ cases (the “Plan”).
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28 **STIPULATION AMONG DEBTORS
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1 2. Amendment to Rabo 3E Complaint and Release of Certain Liens. Within
2 10 days after entry of an order approving this Stipulation, Rabo agrees that it will amend
3 the Rabo 3E Complaint to eliminate the causes of action as they relate to the foreclosure
4 of the 2018 Mortgage and Parcel B of the 2009 Mortgage (each as defined in the Rabo
5 3E Complaint). Within a reasonable time following entry of an order approving this
6 Stipulation, Rabo shall file a release of the 2018 Mortgage and a partial release of the
7 2009 Mortgage as to Parcel B only.

10 3. Withdrawal of Rabo Adversary Proceeding. Promptly following entry of
11 an order approving this Stipulation, the Debtors shall dismiss the Rabo Adversary and
12 withdraw the TRO Motion, both without prejudice.

14 4. Binding Effect. This Stipulation shall be binding upon the Parties hereto,
15 their successors, assigns, affiliates, officers, directors, shareholders, partners, investors,
16 members, employees, agents, and professionals, including any chapter 7 trustee
17 appointed in the Debtors' cases.

19 5. Jurisdiction. The Bankruptcy Court shall retain sole and exclusive
20 jurisdiction to hear and determine all matters arising from or relating to the
21 interpretation and/or enforcement of this Consent, provided, however, that the District
22 Court shall have jurisdiction over any motion filed pursuant to 28 U.S.C. § 157.

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2 **IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD**
3

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28 **STIPULATION AMONG DEBTORS
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